High level design as basis for the next phase

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Ignacio Terol
We see three constants in monetary history (with few exceptions at specific times and places):

1. **Ruling authorities issue money for people to use**, in order to facilitate commerce within their territories, exercise monetary sovereignty and preserve price stability.

2. **The form which that money takes has evolved over time** to meet people’s payment needs.

3. **Money issued by the state often coexists with other forms of money.**
A digital euro would be designed to serve 347 million people that pay with the euro every day in the euro area.

**Responding to evolving payment trends**
Bridging people’s changing preference for digital payments with the benefits of central bank money.

**Making people’s lives easier**
Providing a digital means of payment for everyone to pay any time and anywhere throughout the euro area.

**Strengthening Europe’s resilience**
Preserving Europe’s strategic autonomy. Addressing current dependencies on non-European private providers & fostering competition in the payment sector.
A holistic digital euro design for an increasingly digitalised European payments sector

Access  Payment features  Business model
A digital euro to serve an increasingly digitalised European society

Available in several payment scenarios
- Person-to-person payments
- Payments in physical and online stores
- Payments to and from the government

Widely accessible and accepted
In line with the legislative proposal presented by the European Commission:
- All euro area banks will offer digital euro to customers who ask for it
- All euro area merchants accepting digital payments will also have to accept digital euro

Leaves no one behind
- Digital inclusion, supported via legislative proposal and ECB measures
Bringing together the advantages of cash with the benefits of digital payments

**Distinctive features welcomed by consumers and merchants alike**

- Like cash, digital euro would be accepted everywhere in the euro area
- Online and offline functionalities
- High level of privacy by default
- Conditional payments, but NOT programmable money
- Easy porting of digital euro holdings, including for emergency situations

**Comfortable payment experience**

- Smooth onboarding and simple access for end-users via (i) existing online banking apps or (ii) new digital euro app
- Payments via mobile phone and/or physical card
- Contactless payments via QR-codes and alias
- Usability with holding limits and linked account, without remuneration
A digital euro would support different use cases through a wide range of devices and technologies.

Use cases

Consumer device

Consumer interface

Data exchange technology

Connectivity

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- Use cases
- Consumer device
- Consumer interface
- Data exchange technology
- Connectivity

Note: Likely different time-to-market
The EU as global leader in privacy – also as money becomes more digital

**Online functionality:** all use cases covered

- Remote & proximity payments for person to person and (online) shops
- Privacy comparable to existing digital payments without the Eurosystem seeing any private information

**Offline functionality:** closer to cash features

- Proximity person-to-person and in store payments
- Highest privacy level possible: only payer and payee are aware of the payment
- If payment device is lost, underlying access to money in it is also lost
Supervised intermediaries play a key role as distributors of the digital euro

Intermediaries at the front line

+ Intermediaries, including banks, will distribute the digital euro, managing customer relationships, digital euro payments and related services
+ Digital euro would offer a platform for innovation, enabling intermediaries to achieve pan-Euro area reach and expand use cases based on the Euro area’s monetary anchor
+ The Eurosystem will issue the digital euro and settle payments
+ The Eurosystem will develop a digital euro scheme to ensure a digital euro can be equally used throughout the euro area
A digital euro would be free for citizens

Adequate compensation principles

- A digital euro would be free for basic use by citizens
- Merchants would not pay more than for comparable payment services, provided adequate legal safeguards are established
- Eurosystem bears its own costs, as for production and issuance of banknotes
- Payment service providers would obtain comparable compensation as for comparable payment services, without facing scheme or settlement costs
The digital euro in a nutshell

A **complement to cash** in the digital age and a complement to **private means** of payment

A payment **option** allowing **everyone** to pay digitally **everywhere** in the euro area

Brings valued **features of cash to the digital sphere** (e.g., offline-functionality, privacy, acceptance and availability)

A **European platform for innovation**, allowing intermediaries to build services for their customers that are instantly available across Europe

Increasing **resilience and economic efficiency** of European payments and contributing to (open) **strategic autonomy**
Thank you
Digital and financial inclusion

A digital euro will be designed to take on board **people with no access to a bank account** and **low digital or financial skills**, as well as people with **disabilities**

**Dedicated entities could make it easier for vulnerable groups to access the digital euro**

- Offering in-person support
- Providing physical digital euro payment cards
- Allowing (de)funding via cash

**Accessibility to digital services should be facilitated free of charge**